For Immediate Release

Samsonite International S.A. Announces Final Results for the Year Ended December 31, 2019

HONG KONG, March 18, 2020 – Samsonite International S.A. (“Samsonite” or “the Company”, together with its consolidated subsidiaries, “the Group”; SEHK stock code: 1910), the world’s best-known and largest lifestyle bag and travel luggage company, today announced its final results for the year ended December 31, 2019 (“2019”).

Overview

Commenting on the results, Mr. Kyle Gendreau, Chief Executive Officer, said, “In 2019, we continued to make steady progress in repositioning Samsonite for sustained growth and improved profitability, while navigating sales and margin pressures in some of our key markets. We are pleased with the improvements we achieved in controlling costs, managing working capital, generating cash flow and deleveraging our balance sheet. These improvements, along with our dedicated teams, strong brands, global scale and diversified sourcing base and supply chain strengthen Samsonite’s resilience in the face of challenging headwinds and provide us with the capacity to continue investing in the business to deliver sustainable growth and long-term shareholder value.”

Mr Gendreau continued, “Our disciplined approach to managing working capital, generating cash flow and deleveraging the balance sheet continued to deliver positive results. We made substantial headway managing down our inventories, which helped to drive an improvement of 30 basis points in our net working capital efficiency[1] to 13.3%, as well as a US$98.7 million, or 32.1%, year-on-year increase in operating cash flow to US$406.1 million[2] during 2019. Separately, cash used in investing activities during 2019 decreased by US$44.2 million year-on-year, mainly as a result of reduced capital expenditures[3], partially offset by increased investments in software[4] to support our ongoing digital initiatives.”

For the year ended December 31, 2019, the Group made payments on its non-current/long-term loans and borrowings totaling US$129.8 million, including voluntary prepayments of principal totaling US$100.2 million on its senior secured term loan B made during the fourth quarter of 2019, capitalizing on the Group’s strong cash flow from operations. The Group ended 2019 with a net debt position of US$1,305.3 million[5], an improvement of US$202.8 million year-on-year, with US$647.0 million available on its revolving credit facility. The Group’s pro

---

1 Net working capital efficiency is calculated as net working capital (the sum of inventories and trade and other receivables less trade payables) divided by annualized net sales.

2 The Group generated US$576.2 million of cash from operating activities during the year ended December 31, 2019 compared to US$307.4 million for the previous year. Excluding the impacts from IFRS 16[15], operating cash flow increased by US$98.7 million, or 32.1%, to US$406.1 million for the year ended December 31, 2019 compared to the previous year.

3 For the year ended December 31, 2019, the Group had capital expenditures of US$55.4 million, a decrease of US$45.2 million compared to US$100.6 million during the previous year.

4 For the year ended December 31, 2019, the Group had software additions of US$19.1 million, an increase of US$11.4 million compared to US$7.7 million during the previous year.

5 As of December 31, 2019, the Group had cash and cash equivalents of US$462.6 million and outstanding financial debt of US$1,768.0 million (excluding deferred financing costs of US$12.8 million), resulting in a net debt position of US$1,305.3 million. As of December 31, 2018, the Group had US$427.7 million of cash and cash equivalents and US$1,935.8 million of debt (excluding deferred financing costs of US$16.4 million), resulting in a net debt position of US$1,508.2 million.

forma net leverage ratio[6] was 2.63:1.00 as of December 31, 2019, and its pro forma consolidated cash interest coverage ratio[7] was 8.16:1.00 for the year ended December 31, 2019.

The Group's 2019 constant currency[8] net sales decreased slightly by 1.8%[8] year-on-year, with all regions achieving constant currency net sales gains except North America (-8.0%[8]): Asia (+1.5%[8]), Europe (+3.2%[8]) and Latin America (+2.8%[8]). These encouraging results in 2019 were achieved notwithstanding headwinds in four key markets, including the United States ("U.S."), which was affected by increased tariffs on products sourced from China and lower foreign tourist traffic, the Hong Kong domestic market[9], South Korea and Chile. In addition, strong sales growth in China was partially offset by a planned reduction in business-to-business ("B2B") sales during the first half of 2019. Nevertheless, leveraging our global reach and scale, as well as our diversified portfolio of leading brands, we continued to achieve solid constant currency net sales growth in both our key markets including China (+5.5%[8]; +10.1%[8] excluding B2B), Japan (+5.2%[8]), India (+10.4%[8]), Germany (+7.3%[8]) and France (+3.5%[8]), as well as important emerging markets such as Russia (+18.8%[8]), Mexico (+9.3%[8]), Indonesia (+17.3%[8]) and Turkey (+23.5%[8]) during 2019.

The Group continued to make solid progress pursuing its long-term growth objectives, particularly the *Tumi* brand's international expansion. For the year ended December 31, 2019, *Tumi* delivered a 10.7%[8] net sales increase outside North America, and overall growth of 1.8%[8]. *American Tourister* achieved constant currency net sales gains of 1.0%[8], while constant currency net sales of the *Samsonite* brand remained stable (-0.5%[8]). Excluding the U.S., the Hong Kong domestic market[9], South Korea, Chile and China B2B sales, the *Samsonite, Tumi,* and *American Tourister* brands recorded net sales gains of 2.2%[8], 14.0%[8] and 7.2%[8], respectively, underscoring the strong global brand equity the Group's core brands enjoy within their respective price segments.

The Group's efforts to grow its presence in the direct-to-consumer ("DTC"[10]) e-commerce channel continued to gain traction, driving a 16.2%[8] increase in net sales through this channel, excluding eBags which is going through a period of adjustment as we reduce sales of third-party brands to improve profitability. Our DTC e-commerce business achieved strong net sales growth in each of our regions: North America (+13.1%[8], excluding eBags), Asia (+18.5%[8]), Europe (+15.5%[8]) and Latin America (+76.0%[8]).

The Group's profitability was adversely affected by the combination of reduced net sales and lower gross profit margin largely due to the incremental tariffs imposed by the U.S. on products sourced from China, along with the impact of investments in the DTC distribution channel, particularly in connection with bricks-and-mortar retail stores that opened in 2017 and 2018. Beginning in the second half of 2018, the Group took swift and targeted actions to diversify sourcing as well as tighten expense and working capital controls, and it accelerated these actions in 2019. In addition, the Group temporarily reduced its marketing outlay slightly by 60 basis points to 5.2% of 2019 net sales to help mitigate the pressure on the Group's profitability.

---

[6] Pro forma total net leverage ratio is calculated as (total loans and borrowings less total unrestricted cash) / last twelve months Consolidated Adjusted EBITDA (as defined and calculated in accordance with the Credit Agreement).

[7] Pro forma consolidated cash interest coverage ratio is calculated as last twelve months Consolidated Adjusted EBITDA / (interest expense excluding lease interest and deferred finance costs, less interest income) (as defined and calculated in accordance with the Credit Agreement).

[8] Results stated on a constant currency basis, a non-International Financial Reporting Standards ("IFRS") measure, are calculated by applying the average exchange rate of the previous year to current year local currency results.

[9] Net sales reported for the Hong Kong domestic market exclude net sales made in Macau as well as net sales to distributors in certain other Asian markets where the Group does not have a direct presence.

[10] Direct-to-consumer, or DTC, includes bricks-and-mortar retail and e-commerce sites owned and operated by the Group.

For Immediate Release

The Group's Adjusted EBITDA[11, 12] decreased by US$100.1 million, or 16.9%, to US$492.2 million for the year ended December 31, 2019 from US$592.3 million for the previous year (as recast to adjust for IFRS 16 impacts)[15], primarily due to the effect of lower net sales and the decrease in gross profit margin, which was largely due to the incremental tariffs imposed by the U.S. on products sourced from China, as well as the effect of investments in the DTC distribution channel, particularly in connection with bricks-and-mortar retail stores that were opened in 2017 and 2018, partially offset by a reduction in marketing expenses. Consequently, the Group's Adjusted EBITDA margin[12, 13] decreased by 210 basis points to 13.5% during 2019 from 15.6% for the previous year (as recast to adjust for IFRS 16 impacts)[15]. The Group's Adjusted Net Income[12, 14] decreased by US$63.2 million, or 22.6%, to US$215.9 million for the year ended December 31, 2019 from US$279.1 million for the year ended December 31, 2018 (as recast to adjust for IFRS 16 impacts)[15].

Outlook and Strategy

Commenting on the 2020 outlook, Mr. Gendreau said, "As we turn to 2020, the COVID-19 coronavirus outbreak has caused a global health emergency and travel disruptions around the world. Our top priority has been and will continue to be the health and safety of our employees and their families, as well as our customers and business partners. We have proactively implemented preventative health measures recommended by local health authorities and we continue to monitor the situation closely."

Mr. Gendreau concluded, "While the extent and duration of the COVID-19 outbreak remain uncertain, we are reassured by actions taken by governments and health authorities around the world. Nonetheless, the outbreak will have a negative impact on our performance in the first half of 2020. That said, we have a strong record of managing through past travel disruptions, and the actions we are taking, coupled with liquidity in excess of US$1.2 billion, we believe provide us with adequate capacity to navigate through the current challenges."

---

[11] Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges. Adjusted EBITDA includes the lease interest and amortization expense as a result of the Group's adoption of IFRS 16[15]. The inclusion of IFRS 16 lease interest and amortization expense in Adjusted EBITDA allows this non-IFRS measure to be more comparable with the previous year's Adjusted EBITDA disclosure. The Group believes Adjusted EBITDA is useful in gaining a more complete understanding of its operational performance and the underlying trends of its business.

[12] For the year ended December 31, 2019, the Group's

- Adjusted Net Income, a non-IFRS measure, decreased by US$78.6 million, or 26.7%, to US$215.9 million for the year ended December 31, 2019 from US$294.5 million for the year ended December 31, 2018;
- Adjusted EBITDA, a non-IFRS measure, decreased by US$121.4 million, or 19.8%, to US$492.2 million for the year ended December 31, 2019 from US$613.6 million for the year ended December 31, 2018; and
- Adjusted EBITDA margin, a non-IFRS measure, decreased by 270 basis points to 13.5% for the year ended December 31, 2019 compared to 16.2% for the year ended December 31, 2018.

[13] Adjusted EBITDA margin, a non-IFRS measure, is calculated by dividing Adjusted EBITDA by net sales.

[14] Adjusted Net Income, a non-IFRS measure, eliminates the effect of a number of costs, charges and credits and certain other non-cash charges, along with their respective tax effects, that impact the Group's reported profit for the year, which the Group believes helps to give securities analysts, investors and other interested parties a better understanding of the Group's underlying financial performance.

[15] On January 1, 2019, the Group adopted IFRS 16, *Leases* ("IFRS 16"). The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information for the year ended December 31, 2018 in the "as reported" column in the Key Financial Highlights table below has not been restated and continues to be reported under International Accounting Standards ("IAS") 17, *Leases* ("IAS 17") and IFRS Interpretations Committee ("IFRIC") 4, *Determining whether an Arrangement Contains a Lease* ("IFRIC 4"). The Group has included with respect to the year ended December 31, 2018 an "as adjusted for IFRS 16" column in the Key Financial Highlights table below to present its financial performance for the year ended December 31, 2018 on a comparable basis. Such amounts reflect management's best estimate on its evaluation of the impact of IFRS 16 and are non-IFRS measures. For further details please refer to the Group's Final Results Announcement for the year ended December 31, 2019 filed with The Stock Exchange of Hong Kong Limited.

"Due to the inherent uncertainties about the extent and duration of the COVID-19 outbreak and its impacts on Samsonite for the balance of this year, our Board has decided not to recommend the payment of a cash distribution to our shareholders in 2020."

"Once we navigate the current challenges, we will continue to invest in our long-term growth objectives, including the further international expansion of the *Tumi* brand, our DTC e-commerce growth strategy, as well as research and development to drive additional product innovations. We also will continue to diversify our sourcing base outside of China and renegotiate prices and payment terms with vendors to further strengthen our supply chain and to mitigate the impact of the U.S. tariff increases. In 2019, the Group sourced approximately 33% of its global product purchases from outside China, compared to approximately 28% in 2018, and we plan to further diversify our supply chain outside China in 2020."

"2020 is Samsonite's 110th anniversary. Throughout our history, Samsonite's values of respecting our people, the planet and our impact on the world have endured. How we treat each other and how we care for the world we live in are guiding values that, together with our heritage of industry leadership, make it a natural step for Samsonite to take the lead on sustainability. We have been focused on integrating our ESG[16] principles into our business practices for several years. We completed a global materiality assessment during 2018 to help us identify and prioritize the sustainability issues that matter most to our business and our stakeholders. Following this assessment, we developed our global long-term sustainability strategy, 'Our Responsible Journey'. Launched on March 11, 2020, 'Our Responsible Journey' is our roadmap to accelerate the systematic implementation of sustainable business practices globally, focusing our efforts on the four areas most material to the business: Product Innovation, Carbon Action, Thriving Supply Chain, and People Focused, with the long-term goal for Samsonite to become carbon neutral by 2025. We are proud of what we have achieved to date, and we are excited by the prospects ahead."

[16] Environmental, social and governance.

For Immediate Release

Table 1: Key Financial Highlights for the Year Ended December 31, 2019

	As reported		As adjusted for IFRS 16[15]	As reported	
US$ millions, except per share data	**Year ended December 31, 2019**	Year ended December 31, 2018	Year ended December 31, 2018	Percentage increase (decrease) 2019 vs. 2018	Percentage increase (decrease) 2019 vs. 2018 excl. foreign currency effects[8]
Net sales	**3,638.8**	3,797.0	3,797.0	(4.2)%	(1.8)%
Operating profit[17]	**283.0**	467.4	482.3	(39.4)%	(38.4)%
Profit attributable to the equity holders[18]	**132.5**	236.7	223.6	(44.0)%	(43.3)%
Adjusted Net Income[12, 14]	**215.9**	294.5	279.1	(26.7)%	(25.8)%
Adjusted EBITDA[11, 12]	**492.2**	613.6	592.3	(19.8)%	(17.9)%
Adjusted EBITDA Margin[12, 13]	**13.5%**	16.2%	15.6%		
Basic earnings per share ("EPS")[19] – US$ per share	**0.093**	0.166	0.157	(44.1)%	(43.5)%
Diluted EPS[19] – US$ per share	**0.093**	0.165	0.156	(43.8)%	(43.1)%
Adjusted Basic EPS[20] – US$ per share	**0.151**	0.206	0.195	(26.9)%	(26.0)%
Adjusted Diluted EPS[20] – US$ per share	**0.151**	0.205	0.194	(26.4)%	(25.6)%

---

17 Operating profit decreased by US$184.4 million, or 39.4%, for the year ended December 31, 2019 to US$283.0 million compared to US$467.4 million for the previous year as reported. Operating profit for the year ended December 31, 2019 decreased by US$96.9 million, or 20.1%, year-on-year to US$385.4 million when excluding (i) the non-cash Impairment Charges (as defined in the Operating Profit section below) and (ii) certain costs incurred to implement profit improvement initiatives (as discussed in the Operating Profit section below) during the year ended December 31, 2019, compared to US$482.3 million for the previous year (as recast to adjust for IFRS 16 impacts)[15].

18 Profit attributable to the equity holders decreased by US$104.2 million, or 44.0%, for the year ended December 31, 2019 to US$132.5 million compared to US$236.7 million for the previous year as reported. Profit attributable to the equity holders for the year ended December 31, 2019 was US$190.1 million when excluding (i) the non-cash Impairment Charges (as defined in the Operating Profit section below), (ii) certain costs incurred to implement profit improvement initiatives (as discussed in the Operating Profit section below), net of the related tax impact and (iii) the 2019 Net Tax Benefits (as defined in the Income Tax Expense section below). This represented a decrease of US$73.0 million, or 27.8%, when compared to profit attributable to the equity holders for the year ended December 31, 2018 of US$263.2 million (as recast to adjust for IFRS 16 impacts)[15] and excluding the non-cash charge of US$53.3 million and the related tax impact to write-off the deferred financing costs on the Group's borrowings following the refinancing of the Group's debt in April 2018.

19 Basic EPS decreased by 44.1% to US$0.093 for the year ended December 31, 2019 from US$0.166 for the year ended December 31, 2018 as reported. Diluted EPS decreased by 43.8% to US$0.093 for the year ended December 31, 2019 from US$0.165 for the year ended December 31, 2018 as reported. Basic EPS, as adjusted, decreased by 27.9% to US$0.133 for the year ended December 31, 2019 when excluding (i) the non-cash Impairment Charges (as defined in the Operating Profit section below), (ii) certain costs incurred to implement profit improvement initiatives (as discussed in the Operating Profit section below), net of the related tax impact and (iii) the 2019 Net Tax Benefits (as defined in the Income Tax Expense section below), compared to US$0.184 for the previous year. Diluted EPS, as adjusted, decreased by 27.5% to US$0.133 for the year ended December 31, 2019 when excluding the same charges and costs as noted above, compared to US$0.183 for the previous year. Basic EPS, as adjusted, and Diluted EPS, as adjusted, for the year ended December 31, 2018 have been recast to adjust for IFRS 16 impacts[15] and exclude the non-cash charge of US$53.3 million and the related tax impact to write-off deferred financing costs on the Group's borrowings following the refinancing of the Group's debt in April 2018.

20 Adjusted Basic EPS and Adjusted Diluted EPS, both non-IFRS measures, are calculated by dividing Adjusted Net Income by the weighted average number of shares used in the Basic EPS and Diluted EPS calculations, respectively.

The Group’s performance for the year ended December 31, 2019 is discussed in greater detail below.

Net Sales

The Group’s US Dollar reported net sales were US$3,638.8 million for the year ended December 31, 2019, reflecting a decrease of US$158.2 million, or 4.2% (-1.8% constant currency[8]), compared to the year ended December 31, 2018. The net sales decline was due to unfavorable foreign currency translation effects of US$90.3 million, as well as headwinds faced by the business in the United States, the Hong Kong domestic market[9], South Korea, and Chile, along with a planned reduction of sales through the B2B channel during the first half of 2019 in China. Excluding these markets, the Group's US Dollar reported net sales increased by US$25.5 million, or 1.3% (+4.9% constant currency[8]), for the year ended December 31, 2019 compared to the previous year.

Net Sales Performance by Region

North America

The Group's net sales in North America decreased by 8.0%[8] year-on-year to US$1,363.4 million for year ended December 31, 2019. The incremental tariffs imposed by the U.S. on products sourced from China and reduced Chinese tourist traffic in gateway markets in the U.S. negatively impacted the Group’s performance. The U.S. business was also impacted by the Group's strategic decision to reduce the sales of third-party brands sold through its eBags e-commerce website to improve profitability. Excluding eBags, net sales in North America decreased by 6.5%[8] for the year ended December 31, 2019 compared to the previous year.

Asia

The Group's business in Asia was impacted by a planned reduction in B2B sales during the first half of 2019 in China, challenging market conditions in the Hong Kong domestic market[9] and weak consumer sentiment in South Korea. Excluding these impacts, the Group's net sales for the Asia region increased by 6.8%[8], year-on-year. Overall, the Group's net sales in Asia increased by 1.5%[8] year-on-year to US$1,313.4 million during year ended December 31, 2019.

Europe

The Group recorded a net sales increase of 3.2%[8] in Europe to US$792.2 million during 2019. This constant currency net sales growth was driven by Russia (+18.8%[8]), Germany (+7.3%[8]) and France (+3.5%[8]). These gains were partially offset by declines in the United Kingdom (-4.4%[8]), Italy (-2.1%[8]) and Spain (-0.8%[8]), where increased economic and political uncertainty impacted consumer sentiment and sales.

Latin America

The Group’s net sales in Latin America increased by 2.8%[8] for the year ended December 31, 2019. Latin American performance was negatively impacted by the social unrest in Chile where net sales decreased by 8.9%[8]. Excluding Chile, the Group's net sales for the Latin America region increased by 10.3%[8] year-on-year.

Table 2: Net Sales by Region

Region[21]	**Year ended December 31, 2019 US$ millions**	Year ended December 31, 2018 US$ millions	Percentage increase (decrease) 2019 vs. 2018	Percentage increase (decrease) 2019 vs. 2018 excl. foreign currency effects[8]
North America	**1,363.4**	1,483.0	(8.1)%	(8.0)%
Asia	**1,313.4**	1,324.2	(0.8)%	1.5%
Europe	**792.2**	809.9	(2.2)%	3.2%
Latin America	**166.7**	176.4	(5.5)%	2.8%

Net Sales Performance by Brand

Samsonite

During the year ended December 31, 2019, the *Samsonite* brand recorded net sales of US$1,654.9 million, a decrease of 0.5%[8] year-on-year, due to decreases in the U.S., China B2B, the Hong Kong domestic market[9], South Korea and Chile. All regions except North America (-4.4%[8]) recorded constant currency net sales gains: Asia (+1.6%[8]; +4.7%[8] excluding China B2B, the Hong Kong domestic market[9] and South Korea), Europe (+0.8%[8]) and Latin America (+5.7%[8]). Excluding the five markets mentioned above, *Samsonite* brand net sales grew by 2.2%[8] year-on-year.

Tumi

The *Tumi* brand continued to achieve constant currency net sales growth in Asia (+8.7%[8]; +15.1%[8] excluding the Hong Kong domestic market[9] and South Korea), Europe (+15.0%[8]) and Latin America (+42.4%[8]) in 2019. Net sales of *Tumi* in North America decreased by 4.9%[8] year-on-year due to reduced Chinese tourist traffic in gateway cities in the U.S. Overall, the *Tumi* brand recorded net sales of US$767.0 million for the year ended December 31, 2019, an increase of 1.8%[8] year-on-year. Excluding the U.S., China B2B, the Hong Kong domestic market[9], South Korea and Chile, *Tumi* brand net sales grew by 14.0%[8] year-on-year.

American Tourister

The *American Tourister* brand recorded net sales of US$654.9 million during 2019, an increase of 1.0%[8] year-on-year, driven by increases in Europe (+4.3%[8]) and Latin America (+8.5%[8]). Excluding the U.S., China B2B, the Hong Kong domestic market[9], South Korea and Chile, *American Tourister* brand net sales grew by 7.2%[8] year-on-year.

Gregory, High Sierra* and *Speck

During 2019, net sales of the *Gregory* brand increased by 21.0%[8] year-on-year driven by continued strong growth in Asia (+24.2%[8]), North America (+10.1%[8]) and Europe (+37.1%[8]). Net sales of the *High Sierra* brand decreased by 13.4%[8] year-on-year due to a repositioning of the brand and challenges resulting from the impact of increased tariffs in the U.S. Net sales of the *Speck* brand decreased by 19.7%[8] as a result of weak demand for new personal electronic devices.

[21] The geographic location of the Group's net sales generally reflects the country/territory from which its products were sold and does not necessarily indicate the country/territory in which its end consumers were actually located.

Table 3: Net Sales by Brand

Brand	**Year ended December 31, 2019 US$ millions**	Year ended December 31, 2018 US$ millions	Percentage increase (decrease) 2019 vs. 2018	Percentage increase (decrease) 2019 vs. 2018 excl. foreign currency effects[8]
Samsonite	**1,654.9**	1,712.6	(3.4)%	(0.5)%
Tumi	**767.0**	762.1	0.7%	1.8%
American Tourister	**654.9**	667.8	(1.9)%	1.0%
Speck	**123.9**	154.3	(19.7)%	(19.7)%
Gregory	**69.8**	58.0	20.3%	21.0%
High Sierra	**63.2**	73.7	(14.3)%	(13.4)%
Other[22]	**305.1**	368.5	(17.2)%	(14.3)%

Performance by Distribution Channel

The Group's DTC e-commerce net sales increased by 16.2%[8] during 2019, excluding the contribution from the eBags e-commerce website. During 2019, the Group made a strategic decision to reduce the sales of third-party brands on the eBags e-commerce website to improve profitability. It was further decided to accelerate this shift to focus on *Samsonite* and the Group's other owned brands, including *eBags* branded luggage and bags. Reducing the number of third-party brands sold on the eBags e-commerce website will help the Group improve the cost structure of the eBags business while continuing to leverage the deep customer relationships that eBags has been cultivating since its founding. Overall, the Group's DTC e-commerce net sales increased by 1.0%[8] year-on-year.

During 2019, the Group's total net sales in the DTC retail channel increased by 1.1%[8] year-on-year. This performance was due to the Group's continued 'targeted' expansion of its bricks-and-mortar retail presence, partially offset by a decrease in its constant currency same store retail sales[23]. During 2019, 43 net new company-operated retail stores were opened, compared to 84 net new stores in 2018 and 127 in 2017 (including 30 Tumi retail stores that were acquired from former third-party distributors in Asia). Total company-operated retail stores were 1,294 as of December 31, 2019, compared to 1,251 at the end of 2018. On a same store, constant currency basis, retail net sales decreased by 2.9% year-on-year during 2019. This constant currency same store net sales decrease was driven by a 5.9% decline in North America due to reduced Chinese tourist traffic in gateway markets in the U.S., and a 2.6% decline in Asia as a result of the political unrest in the Hong Kong domestic market[9] and challenging market conditions in South Korea, partly offset by constant currency same store net sales increases of 1.2% and 0.1% in Latin America and Europe, respectively.

Overall, the Group's net sales through the DTC channel increased by 3.9%[8] year-on-year for the year ended December 31, 2019, excluding the contribution from the eBags e-commerce website. Total net sales in the DTC distribution channel increased by 1.1%[8] year-on-year, contributing US$1,345.4 million, or 37.0%, of the Group's net sales during 2019 versus 35.9% of net sales for 2018.

---

[22] Other includes certain other brands owned by the Group, such as *Kamiliant*, *eBags*, *Xtrem*, *Lipault*, *Hartmann*, *Saxoline* and *Secret*, as well as third party brands sold through the Rolling Luggage and Chic Accent retail stores and the eBags e-commerce website.

[23] The Group's same store analysis includes existing company-operated retail stores that have been open for at least 12 months before the end of the relevant financial period.

Net sales in the wholesale channel decreased by 3.4%[8] year-on-year during 2019, primarily due to decreases in North America, as the trade tensions between the U.S. and China continued to impact the Group's business in that region; in China due to a planned reduction in B2B sales during the first half of 2019; and in South Korea as a result of continued challenging market conditions. Excluding these markets, wholesale net sales increased by 1.5%[8] compared to the previous year.

Table 4: Net Sales by Distribution Channel

Distribution Channel	**Year ended December 31, 2019 US$ millions**	Year ended December 31, 2018 US$ millions	Percentage increase (decrease) 2019 vs. 2018	Percentage increase (decrease) 2019 vs. 2018 excl. foreign currency effects[8]
Wholesale	**2,290.4**	2,432.0	(5.8)%	(3.4)%
DTC	**1,345.4**	1,361.5	(1.2)%	1.1%

Gross Profit

The Group's gross profit margin decreased to 55.4% for the year ended December 31, 2019 from 56.5% for the previous year largely due to the incremental tariffs imposed by the U.S. on products sourced from China. Gross profit decreased by US$127.8 million, or 6.0%, to US$2,016.8 million for 2019 from US$2,144.6 million for 2018 due to lower sales and lower gross profit margin. The Group will continue to diversify its sourcing base outside of China and to renegotiate pricing with vendors for the U.S. market to counter the U.S. tariff increases while maintaining high quality standards.

Operating Profit

Distribution expenses decreased by US$8.6 million, or 0.7%, to US$1,203.2 million (representing 33.1% of net sales) for the year ended December 31, 2019 from US$1,211.7 million (representing 31.9% of net sales) for 2018. Distribution expenses as a percentage of net sales increased primarily due to the effect of investments in the DTC distribution channel, particularly in connection with bricks-and-mortar retail stores that were opened in 2017 and 2018 along with the year-on-year decrease in net sales.

The Group spent US$189.5 million on marketing during 2019 compared to US$221.3 million in 2018. As a percentage of net sales, marketing expenses decreased by 60 basis points to 5.2% for 2019 from 5.8% for 2018. The Group temporarily reduced advertising spend during 2019 to help offset the pressure on its profitability. This reduction was executed in a targeted manner to ensure continued support for the Group's growth initiatives, including the *Tumi* brand's further international expansion, the Group's DTC e-commerce growth strategy and planned new product introductions.

During the year ended December 31, 2019, the Group recognized a non-cash impairment charge of US$86.4 million, comprised of US$48.0 million for assets attributable to the eBags business[24], US$27.5 million for lease right-of-use assets and US$10.9 million for property, plant and equipment attributable to certain retail locations[25], (together the "Impairment Charges"). The Group also incurred severance and store closure costs in connection with profit improvement initiatives totalling US$16.0 million during 2019.

The Group's operating profit decreased by US$184.4 million, or 39.4%, year-on-year to US$283.0 million for the year ended December 31, 2019 due to the factors discussed above. Excluding the aforementioned non-cash Impairment Charges and the costs incurred to implement profit improvement initiatives, the Group's operating profit decreased by US$96.9 million, or 20.1%, to US$385.4 million for 2019, compared to US$482.3 million for the previous year (as recast to adjust for IFRS 16 impacts)[15], primarily due to the effect of lower net sales and the decrease in gross profit margin, which was largely due to the incremental tariffs imposed by the U.S. on products sourced from China, as well as the effect of investments in the DTC distribution channel, particularly in connection with bricks-and-mortar retail stores that were opened in 2017 and 2018, partially offset by a reduction in marketing expenses.

Net Finance Costs

Net finance costs decreased by US$25.4 million, or 20.6%, to US$98.1 million for the year ended December 31, 2019 from US$123.5 million for 2018, which included a US$53.3 million write-off of deferred financing costs on the Group's borrowings following the refinancing of the Group's debt in April 2018. Excluding the non-cash deferred financing costs write-off in 2018, net finance costs increased by US$27.9 million, or 39.7%, to US$98.1 million for the year ended December 31, 2019 from US$70.2 million for the year ended December 31, 2018 due to the recognition of US$30.5 million in interest expense on lease liabilities attributable to the adoption of IFRS 16 on January 1, 2019. Interest expense on loans and borrowings decreased by US$1.9 million, or 2.8%, year-on-year.

Income Tax Expense

The Group's income tax expense decreased by US$55.2 million, or 63.7%, to US$31.5 million for the year ended December 31, 2019 from US$86.7 million for the previous year. The Group's 2019 income tax expense included the 2019 Net Tax Benefits which comprised (i) a non-cash income tax benefit of US$54.6 million from a change in the tax rate applied to intangible assets currently held in Luxembourg, which primarily consist of certain tradenames owned by the Group, (ii) tax expenses of US$29.0 million associated with a legal entity reorganization and (iii) a base erosion tax arising as a result of the 2017 U.S. tax reform that applied to the Group in 2019 (which did not apply to the Group previously) of US$7.4 million. Together, these items resulted in a net tax benefit to the Group of US$18.3 million (the "2019 Net Tax Benefits").

---

[24] During the year ended December 31, 2019, the Group made a strategic decision to reduce the sales of third-party brands on the eBags e-commerce website to improve profitability. It was determined that the carrying amount of its *eBags* tradename and certain other assets were higher than their respective recoverable amounts and recognized an impairment charge in the amount of US$48.0 million. The non-cash impairment charge for the year ended December 31, 2019 was recorded in the Group's consolidated income statements in the line item "Impairment Charges".

[25] Based on an evaluation of loss-making stores during the year ended December 31, 2019 and the anticipated closure of some of these stores due to reduced traffic and under-performance, the Group determined that the carrying amounts of certain lease right-of-use assets and certain leasehold improvements exceeded their respective recoverable amounts. The Group recognized a non-cash impairment charge totalling US$27.5 million related to lease right-of-use assets associated with such stores that were recognized with the adoption of IFRS 16 and a US$10.9 million impairment for property, plant and equipment of such stores. The impairment charges for the year ended December 31, 2019 were recorded in the Group's consolidated income statements in the line item "Impairment Charges".

For Immediate Release

Profit Attributable to Equity Holders

The Group's profit attributable to the equity holders decreased by US$104.2 million, or 44.0%, to US$132.5 million for the year ended December 31, 2019 from US$236.7 million for the previous year.

Profit attributable to the equity holders was US$190.1 million for the year ended December 31, 2019 when excluding (i) the non-cash Impairment Charges, (ii) certain costs incurred to implement profit improvement initiatives, net of the related tax impact and (iii) the 2019 Net Tax Benefits. This represented a decrease of US$73.0 million, or 27.8%, compared to profit attributable to the equity holders (as recast to adjust for IFRS 16 impacts)[15] for the year ended December 31, 2018 of US$263.2 million when excluding the non-cash charge of US$53.3 million and the related tax impact to write-off the deferred financing costs on the Group's borrowings debt following the refinancing of the Group's debt in April 2018.

Adjusted EBITDA and Adjusted Net Income

The Group's Adjusted EBITDA decreased by US$121.4 million, or 19.8%, to US$492.2 million for the year ended December 31, 2019 from US$613.6 million for the previous year. Adjusted EBITDA margin decreased by 270 basis points to 13.5% from 16.2%.

Adjusted EBITDA decreased by US$100.1 million, or 16.9%, to US$492.2 million for the year ended December 31, 2019 from US$592.3 million for the year ended December 31, 2018 (as recast to adjust for IFRS 16 impacts)[15], primarily due to the effect of lower net sales and the decrease in gross profit margin, which was largely due to the incremental tariffs imposed by the U.S. on products sourced from China, as well as the effect of investments in the DTC distribution channel, particularly in connection with bricks-and-mortar retail stores that were opened in 2017 and 2018, partially offset by a reduction in marketing expenses. Adjusted EBITDA margin decreased by 210 basis points to 13.5% for 2019 from 15.6% for 2018 (as recast to adjust for IFRS 16 impacts)[15].

Adjusted Net Income, decreased by US$78.6 million, or 26.7%, to US$215.9 million for the year ended December 31, 2019 from US$294.5 million for the year ended December 31, 2018. Adjusted Net Income decreased by US$63.2 million, or 22.6%, to US$215.9 million for the year ended December 31, 2019 compared to US$279.1 million for the previous year (as recast to adjust for IFRS 16 impacts)[15].

2019 Final Results – Earnings Call for Analysts and Investors:

Date:	Wednesday, March 18, 2020
Time:	19:00 New York / 23:00 London / 07:00 March 19, Hong Kong
Webcast Link:	https://edge.media-server.com/mmc/p/imh2tatq

– End –

About Samsonite

Samsonite International S.A. ("Samsonite" or the "Company", together with its consolidated subsidiaries, "the Group"), is the world's best-known and largest lifestyle bag and travel luggage company, with a heritage dating back 110 years. The Group is principally engaged in the design, manufacture, sourcing and distribution of luggage, business and computer bags, outdoor and casual bags, travel accessories and slim protective cases for personal electronic devices throughout the world, primarily under the *Samsonite*®, *Tumi*®, *American Tourister*®, *Speck*®, *Gregory*®, *High Sierra*®, *Kamiliant*®, *eBags*®, *Lipault*® and *Hartmann*® brand names as well as other owned and licensed brand names. The Company's ordinary shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited ("SEHK").

For Immediate Release

For more information, please contact:
Samsonite International S.A. – Hong Kong Branch

William Yue
Tel: +852 2422 2611
Fax: +852 2480 1808
Email: william.yue@samsonite.com

Helena Sau
Tel: +852 2945 6278
Fax: +852 2480 1808
Email: helena.sau@samsonite.com

Artemis Associates

Diana Footitt
Tel: +852 2861 3488
Mob: +852 9183 0667
Email: diana.footitt@artemisassociates.com

Liz Kenyon
Tel: +852 2861 3285
Mob: +852 6908 7578
Email: liz.kenyon@artemisassociates.com

Bowen Chui
Tel: +852 2861 3222
Mob: +852 9783 0643
Email: bowen.chui@artemisassociates.com

United States – Joele Frank, Wilkinson Brimmer Katcher

Michael Freitag
Tel: +1 212 355 4449
Email: Samsonite-JF@joelefrank.com

Tim Ragones
Tel: +1 212 355 4449

Ed Trissel
Tel: +1 212 355 4449

Non-IFRS Measures

The Company has presented certain non-IFRS measures in this press release because each of these measures provides additional information that management believes is useful in gaining a more complete understanding of the Group's operational performance and of the trends impacting its business to securities analysts, investors and other interested parties. These non-IFRS financial measures, as calculated herein, may not be comparable to similarly named measures used by other companies, and should not be considered comparable to IFRS measures. Refer to the relevant announcement/report published by the Company for the corresponding period for reconciliations of the Group's non-IFRS financial information. Non-IFRS measures have limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, an analysis of the Group's financial results as reported under IFRS.

Forward-Looking Statements

This press release contains forward-looking statements. All statements other than statements of historical fact contained in this press release, including, without limitation, the discussions of the Group's business strategies and expectations concerning future operations, margins, profitability, liquidity and capital resources, the future development of the Group's industry and the future development of the general economy of the Group's key markets and any statements preceded by, followed by or that include words and expressions such as "expect", "seek", "believe", "plan", "intend", "estimate", "project", "anticipate", "may", "will", "would" and "could" or similar words or statements, as they relate to the Group or its management, are intended to identify forward-looking statements.

These statements are subject to certain known and unknown risks, uncertainties and assumptions, which may cause the Group's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Accordingly, you should not place undue reliance on any forward-looking information.

Subject to the requirements of applicable laws, rules and regulations, the Group does not have any and undertakes no obligation to update or otherwise revise the forward-looking statements in this press release, whether as a result of new information, future events or developments or otherwise. In this press release, statements of or references to the Group's intentions are made as of the date of this press release. Any such intentions may change in light of future developments. All forward-looking statements contained in this press release are qualified by reference to the cautionary statements set out above.

Rounding

Certain amounts presented in this press release have been rounded up or down. There may therefore be discrepancies between the actual totals of the individual amounts in the tables and the totals shown, between the amounts in the tables and the amounts given in the corresponding analyses in the text of this press release and between amounts in this press release and other publicly available documents. All subtotals, totals, percentages and other key figures were calculated using the underlying data in whole US Dollars.